

**MINUTES OF WORKERS' COMPENSATION MEDICAL FEE ADVISORY BOARD  
MICHAEL A. BILANDIC BUILDING, 160 N LA SALLE STREET, CHICAGO  
HELD ON MAY 13, 2010**

Present at the meeting:

Chairman Mitch Weisz

Mr. Eric Dean, International Association of Bridge, Structural, Ornamental and Reinforcing Ironworkers

Mr. Mark Flannery, Caterpillar Inc.

Mr. David Menchetti, Cullen, Haskins, Nicholson, & Menchetti

Ms. Kimberly Moreland, Rising Medical Solutions

Mr. Ronald Powell, United Food and Commercial Workers

Mr. John Smolk, United Airlines

Attending the meeting via conference call:

Ms. Karen Ayers, NCCI

Dr. Jesse Butler, Spine Consultants

Dr. Ed Sclamberg

Mr. Roger Poole, International Association of Machinists and Aerospace Workers

Ms. Terri Robinson, NCCI

Also attending:

Mr. Glen Boyle, Medical Fee Schedule Project Manager

Ms. Amy Masters, Secretary of the Commission

Ms. Susan Piha, Manager of Research & Education

Mr. Darrell Widen, Assistant General Counsel

Chairman Weisz called the meeting to order at 9:10 a.m.

In addition to meeting notice and agenda and minutes, the following documents were distributed to the board: WRCI Illustrative Reimbursement of Implants Chart; NCCI Executive Summary Analysis of Illinois Medical Fee Schedule; and ASTC Bill for Back Surgery.

The minutes from the February 11, 2010 meeting were unanimously approved.

Mr. Glen Boyle discussed the Ambulatory Surgical Treatment Center (ASTC) fee schedule, where the 607 geozip currently defaults to 76 percent of charge (POC) because there is no hospital in that geozip on which to base data. He noted standard practice in this situation is to use data from a similar geozip, the fact this wasn't done previously was simply an oversight. Mr. Boyle recommended the 616 geozip be adopted for the 607 geozip. Dr. Jesse Butler made a motion to adopt the 616 geozip for the 607 geozip in the ASTC fee schedule, Mr. Eric Dean seconded the motion, and the motion carried unanimously.

Mr. Boyle next reviewed how implant reimbursement rates are calculated in different states. He added that, according to NCCI, Medicare rates would be difficult to calculate as they are bundled

into whole medical charge. The charges for implants were highlighted as an issue in the Report to the General Assembly. The Commission was hearing constant feedback that this issue needs to be corrected. It was recommended that implant payments be tied to the manufacturer's invoice amount, net of rebates with 20 percent mark-up. The board extensively discussed various types of invoices, appropriate percentage of markup, and reimbursement and markup on shipping and handling. Ms. Kim Moreland made a motion to change implant reimbursement rates to be at net manufacturer's cost less any rebates, plus 25%, and reimbursement of the usual and customary cost of shipping and handling, Mr. Eric Dean seconded the motion, and the motion carried unanimously.

Next the board discussed utilization review, necessity of rules, and the complaint process with the Department of Insurance. Ms. Kim Moreland agreed to provide an outline of URAC timelines as a useful reference guide for posting on the IWCC web site. Chairman Weisz expressed the need for additional educational outreach about utilization review, providing additional information on the IWCC web site, and continuing communications with the Department of Insurance.

The board discussed an ASTC bill, which was deemed excessive in cost and scope of treatment. The board discussed ways in which excessive billing could be addressed, including the implementation of a rule that an ASTC should never be paid more than what would be paid by the hospital outpatient fee schedule. Mr. Mark Flannery noted charges may rise to the level of hospital outpatient fee schedule if implemented. Chairman Weisz noted the rule should not discourage the use of an ASTC given the benefits, including lower costs, morbidity, and mortality. The board agreed to table the discussion to the next meeting after additional information and examples could be gathered.

Next, the board discussed allowing accredited surgical treatment facilities to be included in the ASTC fee schedule, along with those ASTCs licensed by the Illinois Department of Public Health. After considerable discussion, Ms. Kim Moreland made a motion to allow accredited surgical treatment facilities to be covered under the ASTC fee schedule, Mr. Eric Dean seconded the motion, and the motion carried unanimously.

Ms. Terri Robinson and Ms. Karen Ayres with NCCI presented the NCCI Executive Summary Analysis of the Illinois Medical Fee Schedule, a post-reform analysis of the first phase of implementation of the fee schedule. After a request by the Commission to further review their initial analysis, NCCI identified greater savings in medical costs than was found in the previous analysis. It was determined that overall medical savings, based upon NCCI available data, totaled nearly 4%.

Next Mr. Glen Boyle identified a clerical error in the Instructions and Guidelines related to outdated DRG codes and explained that language clarification is necessary to avoid confusion between outdated DRG codes and current MS-DRG codes, as some of these codes overlap. The board discussed and agreed to the change.

Mr. Glen Boyle also explained that more and more physician groups are emerging where physicians are employed by the hospital but also operate very similarly to independent

physician/clinic practices. He noted there is a question as to whether or not they should be paid pursuant to the professional services fee schedule or POC76 (which is the rule of thumb for professional services billed under a hospital tax identification number). The board discussed the history and practices of physician groups in relation to the professional services schedule, and agreed to table the conversation to the next meeting.

With no further business and motion made, the meeting adjourned at 11:35 a. m.